



Department of General Government
City of Frisco, Texas

Memorandum

To: Honorable Mayor Maso and City Council Members

Thru: George Purefoy, City Manager

From: Nell Lange, Assistant City Manager

Date: November 7, 2009

Subject: Consider and Act Upon Adoption of Ordinances Authorizing the Issuance and Sale of City of Frisco, Texas Certificates of Obligation Bonds, Series 2009 and Refunding \$28,010,000 in General Obligation Bonds, Series 2009

Action Requested: City Council approval of the ordinance to authorize the issuance and sale of City of Frisco, Texas Certificates of Obligation Bonds, Series 2009 in the principal amount of \$4,000,000 for the Municipal Center Parking Garage and the issuance of \$28,010,000 in General Obligation Refunding Bonds.

Background Information: On May 13, 2006, the citizens of Frisco authorized the sale and issuance of \$198,000,000 in general obligation bonds for various projects. Included in that \$198 million was \$4,000,000 for a Municipal Center Parking Garage. Staff had determined that this funding was not enough to construct the garage. The parking garage was included as part of the TIRZ amendments in FY08 in addition to the land along the railroad for the Heritage Village improvements. We provided a notice of intention to sell Certificates of Obligation bonds to fund the shortfall in the parking garage budget; another \$4,000,000. All public notices have been advertised as required.

Additionally, First Southwest Co., the City's Financial Advisors, has recommended the City refund \$28,010,000 in General Obligation Bonds for a net savings of approximately 4.5% over the life of the bonds. First Southwest will be present at the meeting to present the bidding information and their recommendations on awarding the bid.

Board/ Citizen Input: None.

Alternatives: City Council could choose not to sell the bonds at this time.

Financial Considerations: The debt service on the \$4 million in COs will be paid from the TIRZ fund. Additionally, First Southwest Co. has recommended refunding approximately \$28 million in debt which should save us approximately a million dollars over the life of the bonds. This amount could change prior to the actual sale date.

Legal Review: City Bond Counsel has prepared the ordinance.

Supporting Documents: A draft ordinance is attached for your review. There will be a presentation at the meeting from First Southwest pending the final pricing of the bonds.